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6 Attorney for Secured Creditors  
6 Neal L. Clements and William E. Ulmer

7  
8 UNITED STATES BANKRUPTCY COURT  
9 FOR THE SOUTHERN DISTRICT OF CALIFORNIA

10  
11 In re:  
12 Sullivan International Group, Inc.  
13 Debtor

Case No. 15-02281-LT11  
Chapter 11

14  
15 **NOTICE OF: (1) PERFECTION OF  
SECURITY INTEREST; (2) DEMAND  
FOR SEQUESTRATION, AND (3)  
OBJECTION TO DEBTOR'S USE OF  
CASH COLLATERAL [11 U.S.C. §§363(c)  
AND 546(b)]**

16 **(NO HEARING REQUESTED)**

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18 TO: The Honorable United States Bankruptcy Judge, the Office of the United States Trustee,  
19 and the Debtor and its Counsel of Record:

20 **PLEASE TAKE NOTICE** that secured creditors Neal L. Clements and William E. Ulmer  
21 (“Secured Parties”), hereby notifies you that they claim a properly-perfected security interest in all  
22 right, title and interest in and to all assets, including goods and equipment, inventory, contract  
23 rights, general intangibles, payment intangibles and commercial tort claims, patents, patent rights,  
24 trademarks and servicemarks, inventions, copyrights, accounts, contract rights, royalties, license  
25 rights, documents, cash, deposit accounts, letters of credit, letters of credit rights and all proceeds  
26 thereof (collectively, the “Collateral”), given by the above Debtor Sullivan International Group,  
27 Inc. (the “Debtor” or “Borrower”), to secure certain loans (collectively, the “Loans”).

1           **PLEASE TAKE FURTHER NOTICE** that: (a) Secured Parties have a duly perfected  
2 security interest in and to the Collateral, including but not limited to all rents, issues, profits,  
3 income and proceeds generated by the Collateral which represent Secured Parties' interests in  
4 "cash collateral" as defined in 11 U.S.C. §363(a) (the "Cash Collateral"); (b) 11 U.S.C. §363(c)(2)  
5 prohibits the use of the Cash Collateral for any purpose without the Secured Parties' consent or the  
6 specific authorization of the Bankruptcy Court; and (c) 11 U.S.C. §363(c)(4) requires and Secured  
7 Parties hereby demands the sequestration and accounting to Secured Parties of any Cash Collateral.

8           **PLEASE TAKE FURTHER NOTICE** that Debtor is and has been in default on the Loans  
9 (collectively, the "Loan Defaults"), and that based upon the Loan Defaults the Loans are now all  
10 due and payable, and that other than as may be specifically agreed in writing, Secured Parties  
11 object to the Debtor's use of Secured Parties' Cash Collateral, including any use of rents, issues,  
12 profits, proceeds or any other income generated from the Collateral, except pursuant to the terms  
13 and conditions of a written stipulation, if agreed upon, between Secured Parties, any other secured  
14 creditors, and the Debtor submitted to and approved by the Court.

15 DATED: April 10, 2015

PROCOPIO, CORY, HARGREAVES  
& SAVITCH LLP

17 By: /s/ Gerald P. Kennedy

18 Gerald P. Kennedy  
19 Zagros S. Bassirian  
20 Attorney for Secured Creditors  
21 Neal L. Clements and William E. Ulmer

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5 Attorney for Secured Creditor  
Neal L. Clements and William E. Ulmer

**UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF CALIFORNIA**

10 In re:  
11 Sullivan International Group, Inc.  
12 Debtor

Case No. 15-02281-LT11  
Chapter 11

## **PROOF OF SERVICE**

14 I am a resident of the State of California, over the age of eighteen years, and not a party to  
15 the within action. My business address is PROCOPIO, CORY, HARGREAVES & SAVITCH  
LLP, 525 "B" Street, Suite 2200, San Diego, California 92101. On April 10, 2015, I served the  
within documents:

- NOTICE OF: (1) PERFECTION OF SECURITY INTEREST; (2) DEMAND FOR SEQUESTRATION, AND (3) OBJECTION TO DEBTOR'S USE OF CASH COLLATERAL [11 U.S.C. §§363(C) AND 546(B)]

18  **BY U.S. MAIL** by placing the document(s) listed above in a sealed envelope with  
19 postage thereon fully prepaid, in the United States mail at San Diego, California  
20 addressed as set forth below. I am readily familiar with the firm's practice of collection  
21 and processing correspondence for mailing. Under that practice it would be deposited  
22 with the U.S. Postal Service on the same day with postage thereon fully prepaid in the  
ordinary course of business. I am aware that on motion of the party served, service is  
presumed invalid if postal cancellation date or postage meter date is more than one day  
after date of deposit for mailing an affidavit.

25  **BY MESSENGER SERVICE** by providing the above listed document(s) addressed to  
24 the person(s) at the address(es) listed below to a professional messenger service for  
25 personal service. *[A declaration by the messenger service to be provided upon request  
and/or separately filed.]*

26  **(Federal) BY CM/ECF NOTICE OF ELECTRONIC FILING** by causing such  
27 document(s) listed above to be served through this Court's electronic transmission  
28 facilities via the Notice of Electronic Filing (NEF) and hyperlink, to the parties and/or  
counsel who are determined this date to be registered CM/ECF Users set forth in the  
service list obtained from this Court on the Electronic Mail Notice List. The Case Filing  
Receipt will be maintained with the original documents in our office.

- 1           • Michael D. Breslauer mbreslauer@swsslaw.com, wyones@swsslaw.com  
2           • Jeffrey D. Cawdrey jcawdrey@gordonrees.com,  
3           jmydlandevans@gordonrees.com; slemos@gordonrees.com  
4           • James P. Hill Hill@sullivanhill.com,  
5           hawkins@sullivanhill.com; bkstaff@sullivanhill.com; vidovich@ecf.inforuptcy.com;  
6           hill@ecf.inforuptcy.com; millerick@sullivanhill.com

7            (Federal) I declare under penalty of perjury under the laws of the United States that the  
8           foregoing is true and correct.

9           Executed on April 10, 2015, at San Diego, California.

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11           /s/ Kristina Terlaga  
12           Kristina Terlaga

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